

Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

184.9
84

DEC 14 1965
CURRENT SERIAL RECORDS

FARM MORTGAGE DEBT

ECONOMIC RESEARCH SERVICE • UNITED STATES DEPARTMENT OF AGRICULTURE

Farm-mortgage debt reached \$18.9 billion on January 1, 1965. This was \$2,091 million or 12 percent higher than a year earlier (fig. 1 and tables 1 and 2). In recent years the farm-mortgage debt has risen at an increasing rate--6 percent in 1960, 8 percent in 1961, 9 percent in 1962, and 11 percent in 1963. On January 1, 1965, farm-mortgage debt was up \$6.8 billion or 56 percent from 5 years earlier.

All major lender groups increased their holdings of farm mortgages during 1964. Life insurance companies and operating banks increased the amount of their outstanding farm-mortgage loans by 13 percent. Loans of the Federal land banks increased 12 percent and those of the Farmers Home Administration (direct loans), 2 percent.

Some of the rise in farm-mortgage loans held by commercial and savings banks was due to the increase in insured FHA loans which are bought and held by banks and others. The outstanding amount of such insured loans (mostly farm-ownership loans to individuals) reached \$692 million on January 1, 1965--\$138 million or 25 percent higher than a year earlier.

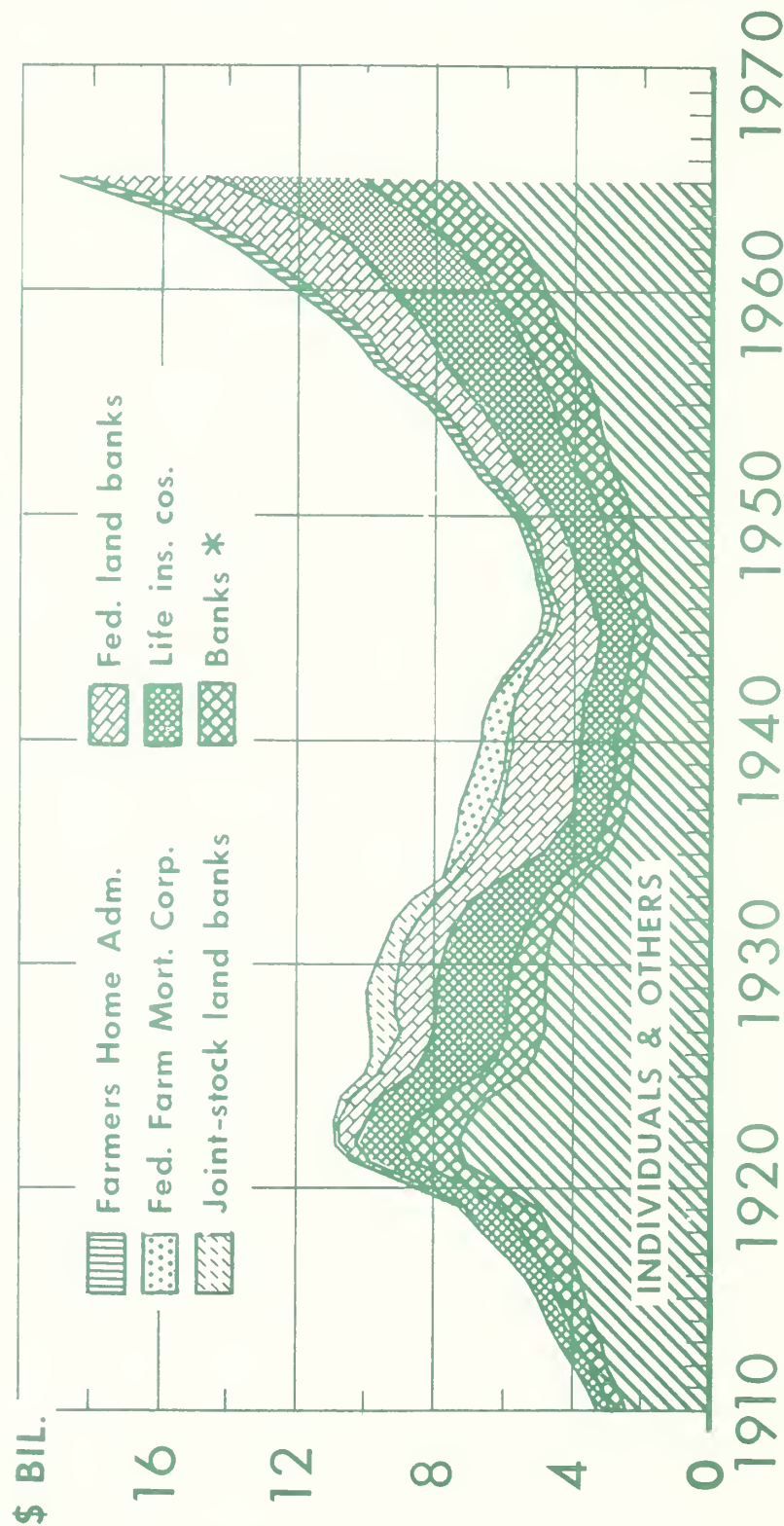
The interest rate on the farm-mortgage debt outstanding on January 1, 1965, averaged 5.4 percent compared with 5.3 percent a year earlier. On new farm-mortgage loans made during 1964, interest rates remained practically unchanged from 1963. The Federal land banks made no change in their rates, and life insurance company loans continued to average about 5.7 percent. Loans made by the FHA during 1964 continued at the statutory rates of 5.0 percent for direct farm-ownership loans and 4.0 percent for direct farm and non-farm rural-housing loans.

For three lenders--the Federal land banks, life insurance companies, and the FHA (direct loans)--repayments of their combined farm-mortgage loans in 1964 reached \$1 billion or 10 percent of the amount outstanding at the beginning of the year. These three lenders hold about 45 percent of the farm-mortgage debt outstanding.

Both the farm-mortgage debt and the market value of farmland and buildings continued to rise during 1964. The overall debt-to-value ratio increased from 11.1 percent on January 1, 1964, to 11.8 percent on January 1, 1965.

Regionally, the Delta States and the Southern Plains showed the largest increases in farm-mortgage debt during 1964, 15.2 and 15.8 percent, respectively, while the smallest increase, 9.7 percent, was in the Corn Belt.

FARM MORTGAGE DEBT HELD BY MAJOR LENDERS



* 1910-34, OPEN STATE AND NATIONAL BANKS; 1935-47, INSURED COMMERCIAL BANKS; 1948-, ALL OPERATING BANKS.
1960-, INCLUDES ALASKA AND HAWAII.

U. S. DEPARTMENT OF AGRICULTURE

NEG. ERS 149-65 (6) ECONOMIC RESEARCH SERVICE

Figure 1

Table 1.--Farm-mortgage debt: Amount of outstanding loans reported by principal lenders, other debt, and total debt, United States, specified dates, 1910-65 1/

Year	Outstanding loans reported by--						Other farm- mortgage debt <u>8/</u>	Total farm- mortgage debt
	Federal	Federal	Joint-stock	Farmers	Life	Commercial		
	land	Farm	land	Home	insurance	and savings		
	banks <u>2/</u>	Mortgage Corporation: <u>2/ 3/</u>	banks: <u>2/ 4/</u>	Administra- tion <u>5/</u>	companies <u>6/</u>	banks <u>7/</u>		
	<u>1,000 dollars</u>	<u>1,000 dollars</u>	<u>1,000 dollars</u>	<u>1,000 dollars</u>	<u>1,000 dollars</u>	<u>1,000 dollars</u>	<u>1,000 dollars</u>	<u>1,000 dollars</u>
1910----	---	---	---	---	386,961	406,248	2,414,654	3,207,863
1920----	293,595	---	60,038	---	974,826	1,204,383	5,915,930	8,448,772
1930----	1,201,732	---	637,789	---	2,118,439	997,468	4,675,340	9,630,768
1935----	1,947,442	616,737	277,020	---	1,301,562	498,842	2,942,856	7,584,459
1940----	2,009,820	713,290	91,726	32,178	984,290	534,170	2,220,925	6,586,399
1945----	1,209,676	347,307	5,455	195,519	938,275	449,582	1,795,101	4,940,915
1950----	906,077	58,650	270	193,301	1,172,326	937,144	2,311,510	5,579,278
1951----	947,431	44,008	---	220,104	1,352,635	1,008,359	2,539,749	6,112,286
1952----	994,128	32,778	---	240,809	1,541,874	1,046,923	2,805,815	6,662,327
1953----	1,071,358	23,899	---	268,257	1,716,022	1,105,096	3,056,305	7,240,937
1954----	1,169,418	17,628	---	282,098	1,892,773	1,131,214	3,246,800	7,739,931
1955----	1,266,953	12,834	---	287,171	2,051,784	1,210,676	3,415,860	8,245,278
1956----	1,480,204	---	---	277,869	2,271,784	1,346,287	3,635,872	9,012,016
1957----	1,722,381	---	---	289,546	2,476,543	1,386,270	3,946,785	9,821,525
1958----	1,897,187	---	---	339,865	2,578,958	1,414,207	4,152,258	10,382,475
1959----	2,065,372	---	---	388,010	2,661,229	1,511,859	4,464,920	11,091,390
1960-9/-	2,335,124	---	---	439,269	2,819,542	1,631,271	4,857,203	12,082,409
1961----	2,539,044	---	---	483,985	2,974,609	1,691,239	5,131,427	12,820,304
1962----	2,803,103	---	---	569,093	3,161,757	1,789,103	5,576,049	13,899,105
1963----	3,024,013	---	---	588,802	3,391,183	2,056,944	6,106,879	15,167,821
1964----	3,281,797	---	---	605,307	3,780,537	2,360,320	6,775,544	16,803,505
1965----	3,686,755	---	---	619,492	4,287,671	2,668,535	7,631,787	18,894,240

1/ Data for 48 States only, except as indicated in footnote 9. 2/ Starting with 1930 the data include regular mortgages, purchase-money mortgages, and sales contracts; before 1930 they include regular mortgages only. Federal land bank and Federal Farm Mortgage Corporation mortgages in process of foreclosure were estimated for 1951 and 1952. 3/ Loans held by Corporation were made on its behalf by the Land Bank Commissioner. Authority to make new loans, except incidental to liquidation, expired July 1, 1947. On June 30, 1955, loans of the Federal Farm Mortgage Corporation were sold to the 12 Federal land banks. 4/ Liquidation of the joint-stock land banks began May 12, 1933, and was completed Apr. 26, 1951. Data include banks in receivership. 5/ Data for 1940-41 include only tenant-purchase loans and direct soil and water loans to individuals. Thereafter, data also include farm-development (special real estate) loans beginning 1942, farm-enlargement loans beginning 1944, project-liquidation loans beginning 1945, rural-housing loans beginning July 1950, and building-improvement loans beginning 1955. Data also include loans for these purposes from State Corporation trust funds. Beginning in October 1961, rural-housing loans were made on nonfarm tracts; these loans are included in the amount outstanding reported for 1962, but excluded for 1963 to date. 6/ Estimates based on direct reports from life insurance companies, official reports submitted to State insurance commissioners, "Best's Life Insurance Reports," "Spectator Life Insurance Yearbook," and data from Life Insurance Association of America and Institute of Life Insurance. Includes legal reserve companies only. Before 1930, includes only regular mortgages; beginning 1930, includes regular mortgages, purchase-money mortgages, and prior to Jan. 1, 1965, sales contracts. 7/ Before 1935, open State and national banks; 1935-47, insured commercial banks; and 1948 to date, all operating banks. Includes bank holdings of soil and water loans and farm-ownership loans insured by the Farmers Home Administration. 8/ The amounts shown in this column are residuals or differences between the amounts reported by institutional lenders and the estimates of total farm-mortgage debt. The amounts shown may be taken as a rough measure of the farm-mortgage debt held by individuals and other nonreporting lenders. 9/ Beginning in 1960, data for reporting lending institutions in Alaska and Hawaii are included. No estimates of total farm-mortgage debt for these States are available.

Table 2.--Farm-mortgage debt: Amount of outstanding loans reported by principal lenders, other debt, and total debt, by States, Jan. 1, 1965

State and region	Outstanding loans reported by--						Total
	Federal land banks 1/	Farmers Home Administration 2/	Life insurance companies 3/	All operating banks 4/	Other farm-mortgage debt 5/	farm-mortgage debt	
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	
Maine-----	3,768	7,931	426	7,834	23,016	42,975	
New Hampshire-----	2,408	779	31	6,928	10,837	20,983	
Vermont-----	10,701	1,372	1,548	22,260	17,112	52,993	
Massachusetts-----	8,310	700	355	8,577	21,670	39,612	
Rhode Island-----	1,943	68	3	1,116	1,469	4,599	
Connecticut-----	12,751	336	1,294	8,025	17,641	40,047	
New York-----	71,710	6,662	12,343	99,961	188,628	379,304	
New Jersey-----	16,576	2,701	9,226	18,597	29,297	76,397	
Pennsylvania-----	38,469	7,622	12,572	124,701	160,108	343,472	
Delaware-----	4,812	377	464	14,841	6,183	26,677	
Maryland 6/-----	19,086	2,535	7,605	52,577	62,791	144,594	
Northeast-----	190,534	31,083	45,867	365,417	538,752	1,171,653	
Michigan-----	127,304	9,700	33,195	90,626	251,972	512,797	
Wisconsin-----	90,452	17,791	42,684	129,940	327,121	607,988	
Minnesota-----	178,845	16,638	193,063	83,116	379,901	851,563	
Lake States-----	396,601	44,129	268,942	303,682	958,994	1,972,348	
Ohio-----	125,525	8,518	110,157	141,642	225,027	610,869	
Indiana-----	130,864	8,983	179,870	102,613	235,987	658,317	
Illinois-----	199,395	10,073	273,850	134,047	234,381	851,746	
Iowa-----	222,003	18,645	417,021	90,886	301,532	1,050,087	
Missouri-----	98,491	27,321	180,929	116,224	234,770	657,735	
Corn Belt-----	776,278	73,540	1,161,827	585,412	1,231,697	3,828,754	
North Dakota-----	84,615	20,525	20,137	44,670	170,319	340,266	
South Dakota-----	110,660	15,912	71,039	13,194	105,042	315,847	
Nebraska-----	141,060	11,646	176,816	25,420	131,323	486,265	
Kansas-----	130,226	11,744	158,931	58,391	128,265	487,557	
Northern Plains-----	466,561	59,827	426,923	141,675	534,949	1,629,935	
Virginia-----	40,603	8,520	34,317	70,874	85,554	239,868	
West Virginia-----	9,345	5,984	1,544	20,871	23,350	61,094	
North Carolina-----	86,363	28,214	45,933	60,772	150,204	371,486	
Kentucky-----	62,375	15,934	65,391	115,215	68,052	326,967	
Tennessee-----	65,730	27,874	29,519	97,981	109,587	330,691	
Appalachian-----	264,416	86,526	176,704	365,713	436,747	1,330,106	
South Carolina-----	44,019	18,714	20,032	19,462	50,411	152,638	
Georgia-----	91,705	28,493	46,222	83,711	63,893	314,024	
Florida-----	52,989	15,103	163,647	52,310	273,959	558,008	
Alabama-----	76,048	34,650	31,005	50,652	53,884	246,239	
Southeast-----	264,761	96,960	260,906	206,135	442,147	1,270,909	

Mississippi-----	64,299	37,906	124,516	67,138	43,881	337,740
Arkansas-----	49,810	19,308	178,674	68,117	58,323	374,232
Louisiana-----	58,245	14,173	55,647	43,317	80,647	252,029
Delta States-----	172,354	71,387	358,837	178,572	182,851	964,001
Oklahoma-----	64,073	20,193	129,857	52,629	149,054	415,806
Texas-----	330,458	32,524	463,869	114,271	491,537	1,432,659
Southern Plains-----	394,531	52,717	593,726	166,900	640,591	1,848,465
Montana-----	100,164	8,850	66,491	10,016	138,285	323,806
Idaho-----	102,014	18,489	94,274	7,297	134,122	356,196
Wyoming-----	34,982	5,121	48,123	6,912	64,824	159,962
Colorado-----	77,660	8,906	111,181	17,697	175,628	391,072
New Mexico-----	27,622	3,662	67,510	6,298	87,128	192,220
Arizona-----	22,066	2,133	79,597	6,767	85,855	196,418
Utah-----	25,161	11,054	12,401	9,568	70,485	128,669
Nevada-----	7,709	1,045	30,979	1,368	25,888	66,989
Mountain-----	397,378	59,260	510,556	65,923	782,215	1,815,332
Washington-----	67,682	23,228	82,693	25,633	269,460	468,696
Oregon-----	60,839	7,918	72,237	27,773	250,602	419,369
California-----	233,566	8,888	325,703	229,644	1,362,782	2,160,583
Pacific-----	362,087	40,034	480,633	283,050	1,882,844	3,048,648
48 States-----	3,685,501	615,463	4,284,921	2,662,479	7,631,787	18,880,151
Alaska-----	923	1,156	0	456	---	7/ 2,535
Hawaii-----	331	2,873	2,750	5,600	---	7/ 11,554
United States-----	3,686,755	619,492	4,287,671	2,668,535	7,631,787	18,894,240

1/ Includes regular mortgages, purchase-money mortgages, and sales contracts. State distribution of loans in process of foreclosure are estimated. 2/ Includes tenant-purchase, farm-enlargement, farm-development and loans primarily for refinancing purposes, project-liquidation, rural-housing (excludes nonfarm), and direct soil and water loans to individuals, and loans for these purposes from State Corporation trust funds. 3/ Includes regular mortgages and purchase-money mortgages. Compiled from direct reports of life insurance companies, official reports submitted to State insurance commissioners, "Best's Life Insurance Reports," and data from Life Insurance Association of America and Institute of Life Insurance. 4/ Includes national and State commercial, mutual and stock savings, and private banks. Mortgage loans held by banks are classified according to location of bank and, therefore, are not strictly comparable by States with mortgage loans for other reporting lenders, which are classified according to location of security or borrower. Includes bank holdings of farm-ownership and soil and water loans insured by the Farmers Home Administration. 5/ The amounts shown in this column are residuals or differences between the amounts reported by institutional lenders and the estimates of total farm-mortgage debt. The amounts shown may be taken as a rough measure of the farm-mortgage debt held by individuals and other nonreporting lenders. 6/ Includes District of Columbia. 7/ Total for reporting lending institutions. Estimate of total farm-mortgage debt not available.

Table 3.--Farm-mortgage debt: Amount of outstanding loans reported by principal lenders, other debt, and total debt, by States, Jan. 1, 1944

State and region	Outstanding loans reported by--					Total	
	Federal land banks 1/	Farmers Home Administration 2/	Life insurance companies 3/	All operating banks 4/	Other farm-mortgage debt 5/	farm-mortgage debt	
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars
Maine-----	3,383	7,471	467	8,140	22,442	41,903	
New Hampshire-----	2,306	797	33	7,118	10,952	21,206	
Vermont-----	9,972	1,339	1,907	20,940	16,290	50,448	
Massachusetts-----	8,049	701	438	10,471	23,744	43,403	
Rhode Island-----	1,899	69	6	1,145	1,464	4,583	
Connecticut-----	11,845	355	1,547	7,955	17,087	38,789	
New York-----	67,555	5,752	13,244	72,243	157,088	315,882	
New Jersey-----	16,287	2,690	10,113	17,735	29,126	75,951	
Pennsylvania-----	34,118	7,662	11,527	116,032	147,862	317,201	
Delaware-----	3,963	374	480	13,881	5,641	24,339	
Maryland 6/-----	14,941	2,787	7,594	44,671	53,726	123,719	
Northeast-----	174,318	29,997	47,356	320,331	485,422	1,057,424	
Michigan-----	113,988	9,986	27,358	77,920	221,471	450,723	
Wisconsin-----	83,097	17,046	38,564	117,429	298,317	554,453	
Minnesota-----	164,689	14,867	179,992	77,557	352,067	789,172	
Lake States-----	361,774	41,899	245,914	272,906	871,855	1,794,348	
Ohio-----	112,599	8,594	98,903	130,380	204,401	554,877	
Indiana-----	111,169	8,893	163,000	92,431	209,816	585,309	
Illinois-----	181,264	9,755	256,719	117,516	214,597	779,851	
Iowa-----	209,539	16,486	389,121	84,647	281,890	981,683	
Missouri-----	88,957	26,537	161,474	101,266	209,942	588,176	
Corn Belt-----	703,528	70,265	1,069,217	526,240	1,120,646	3,489,896	
North Dakota-----	71,381	19,147	16,946	38,347	146,140	291,961	
South Dakota-----	98,909	14,155	60,627	11,304	92,181	277,176	
Nebraska-----	129,215	10,277	156,171	24,283	118,375	438,321	
Kansas-----	117,066	11,571	138,456	48,894	112,805	428,192	
Northern Plains-----	416,571	55,150	372,200	122,828	469,501	1,436,250	
Virginia-----	32,239	8,685	32,220	65,643	76,946	215,733	
West Virginia-----	8,633	6,126	1,793	18,450	21,654	56,656	
North Carolina-----	77,406	27,764	43,609	52,320	136,504	337,603	
Kentucky-----	51,737	14,959	60,813	103,891	60,820	292,220	
Tennessee-----	54,931	27,499	27,841	84,590	96,580	291,441	
Appalachian-----	224,946	85,033	166,276	324,894	392,504	1,193,653	
South Carolina-----	38,959	19,048	16,932	17,802	45,733	138,474	
Georgia-----	79,163	28,636	42,954	73,602	57,309	281,664	
Florida-----	45,871	15,649	132,087	43,458	228,644	465,709	

Alabama-----	69,753	33,888	28,272	44,499	49,418	225,830
Southeast-----	233,746	97,221	220,245	179,361	381,104	1,111,677
Mississippi-----	58,412	39,097	106,942	57,325	39,090	300,866
Arkansas-----	43,261	18,666	151,856	57,113	50,013	320,909
Louisiana-----	48,599	14,885	45,025	37,721	68,811	215,041
Delta States-----	150,272	72,648	303,823	152,159	157,914	836,816
Oklahoma-----	55,055	20,048	110,924	44,386	128,749	359,162
Texas-----	290,295	31,989	393,761	96,000	424,278	1,236,623
Southern Plains-----	345,650	52,037	504,685	140,386	553,027	1,595,785
Montana-----	84,943	8,583	59,109	8,509	120,115	281,259
Idaho-----	91,804	18,141	83,135	7,322	121,033	321,435
Wyoming-----	31,627	4,989	43,878	6,454	59,244	146,192
Colorado-----	66,185	7,754	97,088	14,766	151,457	337,250
New Mexico-----	21,526	3,687	58,390	6,131	74,395	164,129
Arizona-----	20,350	2,078	62,921	6,902	71,635	163,886
Utah-----	22,754	11,146	11,835	8,409	65,591	119,735
Nevada-----	6,883	897	26,167	1,008	22,017	56,972
Mountain-----	346,072	57,275	442,523	59,501	685,487	1,590,858
Washington-----	59,872	22,523	71,421	23,165	239,361	416,342
Oregon-----	53,742	7,791	67,249	25,208	228,660	382,650
California-----	210,351	9,558	267,628	209,151	1,190,063	1,886,751
Pacific-----	323,965	39,872	406,298	257,524	1,658,084	2,685,743
48 States-----	3,280,842	601,397	3,778,537	2,356,130	6,775,544	16,792,450
Alaska-----	930	1,136	0	352	---	7/ 2,418
Hawaii-----	25	2,774	2,000	3,838	---	7/ 8,637
United States-----	3,281,797	605,307	3,780,537	2,360,320	6,775,544	16,803,505

1/ Includes regular mortgages, purchase-money mortgages, and sales contracts. State distribution of loans in process of foreclosure are estimated. 2/ Includes tenant-purchase, farm-enlargement, farm-development and loans primarily for refinancing purposes, project-liquidation, rural-housing (excludes nonfarm), and direct soil and water loans to individuals, and loans for these purposes from State Corporation trust funds. 3/ Includes regular mortgages, purchase-money mortgages, and sales contracts. Compiled from direct reports of life insurance companies, official reports submitted to State insurance commissioners, "Best's Life Insurance Reports," and data from Life Insurance Association of America and Institute of Life Insurance. 4/ Includes national and State commercial, mutual and stock savings, and private banks. Mortgage loans held by banks are classified according to location of bank and, therefore, are not strictly comparable by States with mortgage loans for other reporting lenders, which are classified according to location of security or borrower. Includes bank holdings of farm-ownership and soil and water conservation loans insured by the Farmers Home Administration. 5/ The amounts shown in this column are residuals or differences between the amounts reported by institutional lenders and the estimates of total farm-mortgage debt. The amounts shown may be taken as a rough measure of the farm-mortgage debt held by individuals and other nonreporting lenders. 6/ Includes District of Columbia. 7/ Total for reporting institutions. Estimate of total farm-mortgage debt not available.

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250

OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U.S. DEPARTMENT OF AGRICULTURE